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Office of Governmental and Public Affairs

Speeches and Major Press Releases

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U.S. Department of Agriculture • Office of Governmental and Public Affairs

REA ANNOUNCES \$543 MILLION LOAN FOR SUNFLOWER ELECTRIC COOPERATIVE

WASHINGTON, Aug. 28--Secretary of Agriculture Bob Bergland has announced approval of \$543 million in financing to Sunflower Electric Cooperative, Inc., Hays, Kan., through the U.S. Department of Agriculture's Rural Electrification Administration.

The REA financing is for construction of a 316 megawatt coal-fired power plant at Holcomb, about six miles west of Garden City, Kan., as well as a railroad spur, coal handling facilities and 23 miles of 345 kilovolt transmission line to deliver power from the new generating unit, scheduled for commercial operation in September, 1983.

An REA guarantee for \$539,438,000 and a five percent insured loan of \$3,585,000 were issued at a signing cemeony today in Washington in the office of Robert W. Feragen, REA administrator. The guarantee commitment will enable Sunflower Electric to obtain funds from private lenders at open market rates.

"These funds make it posssble for Sunflower to provide the power needed during the 1980's by the farms, ranches, industries and agribusinesses served by the cooperative's eight member distribution systems," Feragen said.

At present, Sunflower's generating facilities are principally oil or gas fired and are to be made available as peaking units only to meet short-term seasonal or daily needs when the coal-fired Holcomb facility enters commercial operation in 1983.

"Gas and oil are critical fuels now." Feragen said, "and this conversion to coal is another advance toward meeting national energy policy goals."

Coal to fuel the Holcomb plant will be provided by Western Fuels Association, a national cooperative fuels procurement group, which has arranged for delivery of the coal from the Rojo Caballas mine in Campbell County, Wy., to the Holcomb site.

The 345 kilovolt line will extend north from the plant to the Kansas-Nebraska state line and east from the plant to Spearville, near Dodge City, Kan.

"We've gone to great effort to design the system so the towers and line do not interfere with operations on irrigated farms they cross, and we've routed the line to cross a minimum of farm land," said Arthur J. Schnose, manager of Sunflower Electric.

"A project of this kind not only provides a stronger foundation for economic growth for rural areas of this country," Feragen said, "but also serves to create new rural jobs as well." He said when the power station is completed, 100 plant and power line positions will be created.

Member cooperatives comprising Sunflower's system provide electric service to approximately 41,414 farm and other rural consumers. The member systems are:

The Norton-Decatur Cooperative Electric Company, Inc., Norton;

The Lane-Scott Electric Cooperative, In.., Dighton;

The Western Cooperative Electric Association, Inc., Wakeeney;

The Northwest Kansas Electric Cooperative Assn., Inc., Bird City;

Wheatland Electric Cooperative, Inc., Scott City;

The Victory Electric Cooperative, Inc., Dodge City;

The Pioneer Cooperative Association, Inc., Ulysses;

Great Plains Electric Cooperative, Inc., Colby.

On completon of this project, Sunflower's system will consist of 629 miles of transmission line and related facilities in 37 counties in Kansas and three counties in Colorado, and have generating capability of approiately 547,050 kilowatts. All funds in this loan arrangement are for use in Kansas.

Lewis E. Mitchell, Scott City, is president of Sunflower Electric Cooperative Inc.

U.S. Department of Agriculture • Office of Governmental and Public Affairs

USDA TO APEAL COURT ORDER ON TURKEY HAM

WASHINGTON, Aug. 29--The U.S. Department of Agriculture will appeal a Norfork, Va., district court's Aug. 28 denial of its request for a one-year stay of the court's ruling that USDA stop approval of a label calling an all- turkey product "Turkey Ham - Cured Turkey Thigh Meat," Assistant Secretary of Agriculture Carol Tucker Foreman said today.

U.S. District Court Judge Richard B. Kellam of Norfolk, Va., granted USDA a four-month stay, starting from July 3 when the original order was issued.

Foreman said USDA had asked for time to verify through the rule-making process that the labeling is not misleading. USDA also plans to ask for a stay of Kellam's original order, pending the appeal process.

The National Turkey Federation and two poultry processors joined USDA in the request for a one-year delay.

In his decision last July, Kellam said USDA had not adequately proved whether the label in question "might confuse or mislead a substantial number of consumers into believing such products contain pork meat."

The court order was sought by the American Meat Institute, the National Pork Producers Council and several meat producers.

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U.S. Department of Agriculture • Office of Governmental and Public Affairs

PROCESSORS MAY USE TENDERIZERS IN ALL MEATS, AND MATURE POULTRY ON OCT. 6

WASHINGTON, Sept. 4--The U.S. Department of Agriculture has revised its meat and poultry inspection regulations to permit the use of tenderizers in all red meats and mature poultry effective Oct. 6. Formerly, tenderizers were permitted in beef only.

Assistant Secretary of Agriculture Carol Tucker Foreman said if tenderizers--called proteolytic enmymes--are used, the label must indicate it with a descriptive statement next to the product name--for example, "Tenderized with Papain." If any substance other than water is used in the enzyme solution, it must also be shown on the label, she said. Weight gain from an enzyme solution is limited to three percent above the weight of the raw, untreated product.

Enzyes pérmitted under the new rule are papain, bromelin, ficin, aspergillus oryzae and the aspergillus flavus oryzae group. They are "generally recognized as safe" for use in human food by the Food and Drug Administration, Foreman said.

The final regulations will apply to all products subject to inspection under the Federal Meat Inspection Act and the Poultry Products Inspection Act, as well as to all products treated with the enzymes at retail establishments, including those establishments exempt from federal inspection requirements.

Foreman said the final regulations are based on a consideration of the comments received on the regulations proposed June 1, 1979, and the views of the National Advisory Committee on Meat and Poultry Inspection. The final regulations are the same as those proposed except for slight modifications for the purpose of clarification, she said.

This action is scheduled to be published in the Sept. 5 Federal Register, available at local libraries.

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30 MORE DROUGHT-AFFECTED RURAL WATER SYSTEMS GET IMPROVEMENT FUNDS

WASHINGTON, Sept. 4--Loans and grants totaling more than \$8.3 million have been approved for 30 more community water system improvement projects in seven drought states of the midwest and south, Secretary of Agriculture Bob Bergland announced today.

The action brings to 80 the number of water systems slated for improvement under a program initiated by President Carter in areas affected by drought and heat this summer. Funding totals \$21,527,800 for the 80 projects in Arkansas, Kansas, Louisiana, Missouri, Nebraska, North Dakota, Oklahoma, Tennessee and Texas.

Projects annunced today will receive \$5,019,700 in loans and \$3,330,800 in grants through Farmers Home Administration, the Department of Agriculture's rural development credit agency. The funds will be used to build new systems or improve existing systems that proved inadequate during this year's seige of hot, dry weather.

Under the rural water facilities program administered by FmHA, loans are supplemented by grants when nesessary to let rural water systems charge service rates that people of modest means can afford. Loans are repayable in up to 40 years at an interest rate of 5 percent.

Projects announced today:

ARKANSAS

-- Town of Lead Hill (Boone county); \$7,500 loan to improve pumping equipment at the water system well.

-- Yorktown Water Assn. (Lincoln county); \$90,000 loan and

\$90,000 grant for an additional water system well.

-- City of Melbourne (Izard county); \$178,600 loan for new water system well.

-- City of Huntington (Sebastian county); \$17,500 loan and \$17,500 grant for a new water system well.

KANSAS

- -- City of Bunker Hill (Russell county); \$156,000 loan to replace deficient water lines, install fire hydrants and improve the water tower of the community water system.
- -- City of Colony (Anderson county); \$605,000 loan and \$605,000 grant for a new community water system.
- -- Rural Water District No. 6 of Crawford county; \$103,500 loan to enlarge water delivery lines and pumping capacity.

LOUISIANA

- -- East Columba Water District (Caldwell parish). \$163,000 loan and \$191,000 grant for a new water system well.
- -- Sandy Lake Water System, Inc. (Catahoula parish); \$100,000 loan and \$100,000 grant for a new well.
- -- Village Water System, Inc. (Princeton, Bospier parish); \$125,000 loan to enlarge the system's water lines.

NEBRASKA

- -- Village of Greeley (Greeley county); \$400,000 loan and \$285,800 grant for new well, storage tank, treatment plant water lines and other improvements of the town water system.
- -- City of Gretna (Sarpy county); \$160,000 loan for well, pumping and water line improvements to the town water system.

NORTH DAKOTA

-- City of Forbes (Dickey county); \$110,000 loan and \$60,000 grant for a new water system well and related facilities.

OKLAHOMA

- -- Rural Water District No. 6 of Grady county; \$125,000 loan and \$75,000 grant to improve delivery volume and pressure.
- -- Rural Water District No. 2 of Comanche county; \$300,000 loan for enlargement of delivery capacity.
- -- Rural Water District No. 1 of Beaver county; \$105,000 loan for a new water system well.

-- Eldorado Public Works Authority (Jackson county); \$293,000 loan for expansion of the water system.

-- Kingston Municipal Authority (Marshall county); \$150,000 loan

for expansion of the water system.

-- Rural Water District No. 4 of Hughes county; \$218,000 loan and \$581,200 grant for expansion of the water system.

-- Rural Water District No. 8 of Wagoner county; \$204,000 loan and \$204,100 grant for expansion of the water system.

-- Salem Rural Water Corp. (Okmulgee county); \$75,000 loan for expansion of the water system.

-- Garber Municipal Authority (Garfield county); \$500,000 loan for

renovation of the community water system.

-- Burns Flat Utilities Authority (Garfield county); \$193,000 loan and \$193,00 grant for renovation of the community water system.

TEXAS

-- West Brazos Water Supply Corp. (Falls county); \$25,000 loan to refinance cost of expanding the water system.

-- Baylor Water Supply Corp. (Baylor county); \$287,000 loan for three water supply wells and storage tanks and pump station.

-- El Oso Water Supply Corp. (Karnes county); \$375,000 grant to finance completion of a water system expansion.

-- City of Mt. Vernon (Franalin county); \$252,000 grant for improvement of the community water system.

-- Edom Water Supply Corp. (Van Zandt county); \$135,000 loan for

a new water system well.

-- Jacobia Water Supply Corp. (Hunt county); \$172,000 loan and \$122,000 grant for new water mains, storage facility, chlorination system and increase of pump station capacity.

-- Bexar County Water Conservancy & Improvement District No. 18; \$70,000 loan (repayable in 25 years) and \$55,000 grant for water

system improvements.



